

BRINE SHRIMP ROYALTY ACT**AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill amends the Brine Shrimp Royalty Act.

Highlighted Provisions:

This bill:

- ▶ repeals obsolete language;
- ▶ addresses definitions;
- ▶ addresses the calculation of the royalty; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

59-23-3, as last amended by Laws of Utah 2005, Chapter 16

59-23-4, as last amended by Laws of Utah 2009, Chapter 344

59-23-7, as enacted by Laws of Utah 1997, Chapter 179

59-23-8, as enacted by Laws of Utah 1997, Chapter 179

REPEALS:

59-23-2, as enacted by Laws of Utah 1997, Chapter 179

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-23-3** is amended to read:

59-23-3. Definitions.

As used in this chapter:

~~[(1) "Alternate royalty rate" means \$550,000 divided by the gross volume of unprocessed brine shrimp eggs harvested in the state during the tax year.]~~

~~[(2)]~~ (1) "Brine shrimp eggs" means dormant, early stage brine shrimp embryos encapsulated as cysts that are harvested from ~~[the waters of]~~ within the state.

~~[(3)]~~ (2) "Tax year" means a one-year period beginning on February 1 and ending on January 31 of the following year.

Section 2. Section **59-23-4** is amended to read:

59-23-4. Brine shrimp royalty -- Royalty rate -- Commission to prepare billing statement -- Deposit of revenue.

~~[(1)(a) Beginning on February 1, 2004, and ending on January 31, 2006, there is imposed for each tax year a brine shrimp royalty of the lesser of:]~~

~~[(i) 3.75 cents multiplied by the total pounds of unprocessed brine shrimp eggs that are harvested in the state during the tax year, or]~~

~~[(ii) \$550,000.]~~

~~[(b)]~~ (1) ~~[Beginning on February 1, 2006, there is imposed]~~ A person shall pay for each tax year a brine shrimp royalty of 3.75 cents multiplied by the total number of pounds of unprocessed brine shrimp eggs that ~~[are harvested in]~~ the person harvests within the state during the tax year.

~~[(2) Beginning on February 1, 2004, and ending on January 31, 2006, the royalty amount due from a person for each tax year is:]~~

~~[(a) if the brine shrimp royalty for the tax year is as described in Subsection (1)(a)(i); the gross volume of unprocessed brine shrimp eggs harvested in the state by that person during that tax year multiplied by 3.75 cents; or]~~

~~[(b) if the brine shrimp royalty for the tax year is \$550,000, the gross volume of unprocessed brine shrimp eggs harvested in the state by that person for that tax year multiplied by the alternate royalty rate.]~~

~~[(3) Beginning on February 1, 2006, the royalty amount due from a person for a tax year is the gross volume of unprocessed brine shrimp eggs harvested in the state by that person during that tax year multiplied by 3.75 cents.]~~

~~[(4)]~~ (2) (a) A person that harvests unprocessed brine shrimp eggs shall report to the Department of Natural Resources the total ~~[gross volume]~~ number of pounds of unprocessed

63 brine shrimp eggs harvested by that person for that tax year on or before the February 15
64 immediately following the last day of that tax year.

65 (b) The Department of Natural Resources shall provide the following information to
66 the commission on or before the March 1 immediately following the last day of a tax year:

67 (i) the total [~~gross volume~~] number of pounds of unprocessed brine shrimp eggs
68 harvested for that tax year; and

69 (ii) for each person that harvested unprocessed brine shrimp eggs for that tax year:

70 (A) the [~~gross volume~~] total number of pounds of unprocessed brine shrimp eggs
71 harvested by that person for that tax year; and

72 (B) a current billing address for that person; and

73 (iii) any additional information required by the commission.

74 (c) (i) The commission shall prepare and mail a billing statement to each person that
75 harvested unprocessed brine shrimp eggs in a tax year by the March 30 immediately following
76 the last day of a tax year.

77 (ii) The billing statement under Subsection [~~(4)~~] (2)(c)(i) shall specify:

78 (A) the [~~gross volume~~] total number of pounds of unprocessed brine shrimp eggs
79 harvested by that person for that tax year;

80 (B) the [~~amount of~~] brine shrimp royalty that the person owes; and

81 (C) the date that the brine shrimp royalty payment is due as provided in Section
82 59-23-5.

83 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
84 commission may make rules prescribing the information required under Subsection [~~(4)~~]
85 (2)(b)(iii).

86 [~~(5) All revenue~~] (3) Revenue generated by the brine shrimp royalty shall be deposited
87 in the Species Protection Account created in Section 79-2-303.

88 [~~(6)~~] (4) Beginning with the 2004 interim, the Revenue and Taxation Interim
89 Committee:

90 (a) shall review the [~~annual~~] brine shrimp royalty [~~amount~~] imposed under this section
91 [~~one or more times~~] at least every five years;

92 (b) shall determine on or before the November interim meeting of the year in which the
93 Revenue and Taxation Interim Committee reviews the [~~annual~~] brine shrimp royalty [~~amount~~]

94 imposed under this section whether the brine shrimp royalty [~~amount~~] should be[~~:(i)~~]
95 continued[~~;(ii)~~], modified[~~;~~], or [~~(iii)~~] repealed; and

96 (c) may review any other issue related to the brine shrimp royalty imposed under this
97 part [~~as determined by the Revenue and Taxation Interim Committee~~].

98 Section 3. Section **59-23-7** is amended to read:

99 **59-23-7. Rules.**

100 [~~The~~] In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
101 the commission may make rules to implement and enforce this chapter.

102 Section 4. Section **59-23-8** is amended to read:

103 **59-23-8. Penalties and interest.**

104 A person who harvests unprocessed brine shrimp eggs who fails to comply with this
105 chapter is subject to penalties and interest as provided in Sections 59-1-401 and 59-1-402.

106 Section 5. **Repealer.**

107 This bill repeals:

108 Section **59-23-2, Intent statement.**